

Sartorius Stedim Biotech off to a dynamic start in fiscal 2019

- Sales revenue up 19.3%; order intake up 18.7%; earnings margin 28.6%¹⁾
- Growth across all product categories and geographies; the Americas particularly strong
- Guidance for 2019 confirmed

Aubagne, April 18, 2019 – Sartorius Stedim Biotech (SSB), a leading partner of the biopharma industry, reported strong double-digit growth in sales revenue, order intake and earnings for the first quarter of 2019.

Sales revenue increased against relatively moderate comparables in the prior-year quarter by 19.3% to 342.9 million euros (reported: +22.0%); order intake also saw a significant uptick, rising 18.7% to 381.3 million euros (reported: +21.5%). Underlying EBITDA¹⁾ rose overproportionately relative to sales by 32.5% to 98.1 million euros. The respective margin reached 28.6% (Q1 2018: 26.3%), with a good half of a percentage point of this increase resulting from a change in accounting rules²⁾, as expected. Relevant net profit after non-controlling interest³⁾ for the Group surged by 32.9% to 62.6 million euros, resulting in earnings per share of 0.68 euros compared with 0.51 euros a year earlier.

"Though we anticipated a good start into the year, we are very pleased with this strong set of results," said Dr. Joachim Kreuzburg, Chairman of the Board. "Expansion was driven by high demand across the entire portfolio and all regions. Given the stronger comparables for the next quarters and an increasing dilutive effect due to the modified setup of our cell culture media business, we expect that growth rates will normalize over the course of the year. On this basis we confirm our 2019 full-year guidance."

With respect to geographies, the Americas recorded the highest increase in sales, which were up 26.7% to 124.8 million euros. Asia|Pacific once again saw significant growth of 16.9% to 77.5 million euros, whereas in the EMEA region, sales totaled 140.6 million euros, equaling a gain of 14.8%. (All growth rates in constant currencies.)

Key financial indicators

The financial position of the Group remained at very comfortable levels. Driven by strong earnings, equity of Sartorius Stedim Biotech grew from 1,044.9 million euros as of the end of fiscal 2018 to 1,055.7 million euros as of March 31, 2019. Mainly due to a change in accounting standards²⁾, the equity ratio decreased slightly to 63.6% (December 31, 2018: 66.5%). At 0.3, the ratio of net debt to underlying EBITDA was below the prior year's level of 0.4. The ratio of capital expenditures to sales revenue was 9.4% (March 31, 2018: 9.2%)⁴⁾.

Positive outlook for 2019

Based on its performance in the first quarter 2019, Sartorius Stedim Biotech confirms its guidance for fiscal 2019. Consolidated sales revenue is projected to grow by about 7% to 11%. This forecast reflects the changes to the sales agreement with the Lonza group for cell culture media. Without these changes, sales growth would probably be approximately 3 percentage points higher.

Regarding profitability, management forecasts that the company's underlying EBITDA margin will increase by slightly more than one percentage point over the prior-year figure of 28.2%. Of this figure, approximately half a percentage point is expected to be an operational increase, whereas the remainder will result from changes to the IFRS accounting rules²⁾. The ratio of capital expenditures to sales revenue is projected to be around 11%, down from the year-earlier figure of 14.6%⁴⁾.

All figures in this outlook are given in constant currencies. In spite of countermeasures already taken, a disorderly exit of the United Kingdom from the EU may have a certain impact on our supply chain; yet a reliable forecast of possible effects cannot be given at the present time.

- 1) Underlying EBITDA = earnings before interest, taxes, depreciation and amortization, and adjusted for extraordinary items
- 2) IFRS 16 is required to be applied as of 2019 and regulates accounting of lease contracts. This leads to a somewhat extended balance sheet and thus to a slightly lower equity ratio. Further, this results in reporting longer-term lease payments as depreciation and, accordingly, in a somewhat higher EBITDA, among other things. This does not entail any material changes concerning the Group's relevant net profit or earnings per share.
- 3) Underlying net profit = net profit after non-controlling interest; adjusted for extraordinary items and non-cash amortization, as well as based on a normalized financial result and tax rate
- 4) As of 2019, CAPEX is based on cash flow instead of balance sheet computation; CAPEX ratio restated: 9.7% for Q1 2018; 14.6% for FY 2018.

This press release contains statements about the future development of the Sartorius Stedim Biotech Group. We cannot guarantee that the content of these statements will actually apply because these statements are based upon assumptions and estimates that harbor certain risks and uncertainties.

Follow Sartorius Stedim Biotech on [Twitter](#) @Sartorius_Group and on [LinkedIn](#).

Conference call

Joachim Kreuzburg, CEO and Chairman of the Board of the Sartorius Stedim Biotech Group, will discuss the company's results with analysts and investors on Thursday, April 18, 2019, at 3.30 p.m. Central European Summer Time (CEST), in a teleconference. You may register at:

<http://services.choruscall.de/DiamondPassRegistration/register?confirmationNumber=6266464&linkSecurityString=2e6e97fe0>

Alternatively, you can dial in without prior registration at +49 (0) 69 566 03 7000

The presentation will be available on April 18, 2019, starting at 3:15 p.m. CEST, on our website at:

<https://www.sartorius.com/en/company/investor-relations/sartorius-stedim-biotech-sa-investor-relations/presentations>

Press images

<https://www.sartorius.com/en/company/newsroom/downloads-publications>

Financial calendar

July 19, 2019	Publication of first-half figures (January to June 2019)
October 22, 2019	Publication of nine-month results (January to September 2019)

A profile of Sartorius Stedim Biotech

Sartorius Stedim Biotech is a leading international partner of the biopharmaceutical industry. As a total solutions provider, the company helps its customers to manufacture biotech medications safely, rapidly and economically. Headquartered in Aubagne, France, Sartorius Stedim Biotech is quoted on the Eurolist of Euronext Paris. With its own manufacturing and R&D sites in Europe, North America and Asia and an international network of sales companies, Sartorius Stedim Biotech has a global reach. The Group has been annually growing by double digits on average and has been regularly expanding its portfolio by acquisitions of complementary technologies. In 2018, the company earned sales revenue of €1,212.2 million and currently employs some 5,800 people.

Contact

Petra Kirchhoff
 Head of Corporate Communications
 +49 (0)551.308.1686
petra.kirchhoff@sartorius.com

Ben Orzelek
 Head of Investor Relations
 +49 (0)551.308.1668
ben.orzelek@sartorius.com

Key performance indicators for the first quarter of 2019

in millions of € unless otherwise specified	3 months 2019	3 months 2018	Δ in % reported	Δ in % cc ¹⁾
Sales revenue	342.9	281.1	22.0	19.3
EMEA ²⁾	140.6	122.5	14.8	14.8
Americas ²⁾	124.8	93.8	33.0	26.7
Asia Pacific ²⁾	77.5	64.8	19.6	16.9
Order intake ³⁾	381.3	313.8	21.5	18.7
EBITDA ⁴⁾	98.1	74.0	32.5	
EBITDA margin ⁴⁾ in %	28.6	26.3		
Net profit ⁵⁾	62.6	47.1	32.9	
Earnings per share ⁵⁾ in €	0.68	0.51	32.9	

¹⁾ In constant currencies

²⁾ According to customers' location

³⁾ All customer orders which were legally concluded during the respective reporting period

⁴⁾ Underlying EBITDA = earnings before interest, taxes, depreciation and amortization, and adjusted for extraordinary items

⁵⁾ Underlying net profit = net profit after non-controlling interest; adjusted for extraordinary items and non-cash amortization, as well as based on a normalized financial result and tax rate

Statement of Profit or Loss

	3 months 2019 € in mn	3 months 2018 € in mn
Sales revenue	342.9	281.1
Cost of sales	-165.6	-133.8
Gross profit on sales	177.4	147.3
Selling and distribution costs	-57.3	-50.2
Research and development costs	-17.7	-17.1
General administrative expenses	-19.6	-16.3
Other operating income and expenses	-2.7	-6.1
Earnings before interest & taxes (EBIT)	80.1	57.6
Financial income	1.9	2.6
Financial expenses	-5.6	-4.3
Financial result	-3.7	-1.7
Profit before tax	76.4	56.0
Income taxes	-19.9	-14.5
Net profit for the period	56.5	41.4
Attributable to:		
Shareholders of Sartorius Stedim Biotech	56.1	40.9
Non-controlling interest	0.4	0.5
Earnings per share (€)	0.61	0.44
Diluted earnings per share (€)	0.61	0.44

Statement of Comprehensive Income

	3 months 2019 € in mn	3 months 2018 € in mn
Net profit for the period	56.5	41.4
Cash flow hedges	-3.0	2.5
of which effective portion of changes in fair value	-4.1	-0.5
of which reclassified to profit or loss	1.1	3.0
Income tax on cash flow hedges	0.9	-0.7
Foreign currency translation differences	8.9	-7.1
Items that are or may be reclassified subsequently to profit or loss	6.8	-5.4
Items that will not be reclassified in profit or loss	0.0	0.0
Other comprehensive income for the period	6.8	-5.4
Total comprehensive income for the period	63.3	36.0
Attributable to:		
Shareholders of Sartorius Stedim Biotech	62.9	35.7
Non-controlling interest	0.4	0.3

Statement of Financial Position

Assets	March 31, 2019 € in mn	Dec. 31, 2018 € in mn
Non-current assets		
Goodwill	385.8	384.7
Other intangible assets	178.9	177.5
Property, plant and equipment	485.9	436.0
Financial assets	5.9	5.6
Other assets	0.8	0.6
Deferred tax assets	15.9	14.5
	1,073.2	1,018.9
Current assets		
Inventories	269.9	252.0
Trade receivables	240.1	220.2
Other financial assets	15.7	22.0
Current tax assets	8.6	13.0
Other assets	27.2	21.3
Cash and cash equivalents	25.8	24.0
	587.2	552.5
Total assets	1,660.4	1,571.5
Equity and liabilities		
	March 31, 2019 € in mn	Dec. 31, 2018 € in mn
Equity		
Attributable to SSB S.A. shareholders	1,046.8	1,036.4
Issued capital	18.4	18.4
Capital reserves	231.5	231.5
Retained earnings (including net profit)	796.9	786.4
Non-controlling interest	8.9	8.5
	1,055.7	1,044.9
Non-current liabilities		
Pension provisions	36.3	35.6
Other provisions	3.2	2.9
Loans and borrowings	42.8	43.1
Finance lease liabilities	37.5	15.0
Other financial liabilities	9.1	8.9
Deferred tax liabilities	38.9	39.1
	167.8	144.6
Current liabilities		
Provisions	11.3	12.3
Trade payables	167.1	154.6
Loans and borrowings	49.1	89.8
Finance lease liabilities	9.2	1.7
Employee benefits	39.8	39.3
Other financial liabilities	69.3	14.3
Current tax liabilities	42.8	33.1
Other liabilities	48.3	36.9
	436.8	382.0
Total equity and liabilities	1,660.4	1,571.5

Statement of Cash Flows

	3 months 2019 € in mn	3 months 2018 € in mn
Profit before tax	76.4	56.0
Financial result	3.7	1.7
Earnings before interest & taxes (EBIT)	80.1	57.6
Depreciation amortization of intangible and tangible assets	15.6	12.8
Increase decrease in provisions	-0.2	-0.9
Income taxes paid	-6.5	-5.5
Other non-cash items	0.0	0.3
Gross cash flows from operating activities	88.9	64.3
Increase decrease in receivables and other assets	-19.2	-16.7
Increase decrease in inventories	-15.3	-18.4
Increase decrease in liabilities	26.3	9.1
Net cash flow from operating activities	80.7	38.3
Acquisitions of intangible and tangible assets	-32.3	-27.4
Other payments	0.0	0.0
Net cash flow from investing activities	-32.3	-27.4
Payments for acquisitions of consolidated subsidiaries and other business operations; net of cash acquired	0.0	0.0
Net cash flow from investing activities and acquisitions	-32.3	-27.4
Changes in capital	0.0	0.0
Interest received	0.4	0.0
Interest paid and other financial charges	-2.7	-1.9
Dividends paid to:		
- Shareholders of Sartorius Stedim Biotech SA	0.0	0.0
- Non-controlling Interest	0.0	0.0
Gross cash flows from financing activities	-2.2	-1.9
Repayments of loans and borrowings	-44.0	-2.8
Proceeds from loans and borrowings raised	0.0	4.1
Net cash flow from financing activities	-46.2	-0.5
Net increase decrease in cash and cash equivalents	2.2	10.4
Cash and cash equivalents at the beginning of the period	24.0	32.6
Net effect of currency translation on cash and cash equivalents	-0.4	-0.3
Cash and cash equivalents at the end of the period	25.8	42.7

Reconciliation

in millions of €	3 months 2019	3 months 2018
EBIT (operating result)	80.1	57.6
Extraordinary items	2.6	3.6
Depreciation & amortization	15.4	12.8
Underlying EBITDA	98.1	74.0

in millions of €	3 months 2019	3 months 2018
EBIT (operating result)	80.1	57.6
Extraordinary effects	2.6	3.6
Amortization IFRS 3	3.4	4.2
Normalized financial result ¹⁾	-1.0	-1.1
Normalized income tax (2019: 26%; 2018: 26%) ²⁾	-22.1	-16.7
Underlying net result	63.0	47.5
Non-controlling interest	-0.4	-0.5
Underlying net result after non-controlling interest	62.6	47.1
Underlying earnings per share (in €)	0.68	0.51

¹⁾ Financial result excluding fair value adjustments of hedging instruments, as well as currency effects from foreign currency loans

²⁾ Income tax considering the average group tax rate, based on the underlying profit before tax.